





**ORDINANCE NO. \_\_\_\_\_**

An Ordinance Relating to the New Job Tax Credit and Adding a  
New Provision to EMC 3.24.105 (Ord. 3175-10)

**WHEREAS**, Ordinance 3175-10 established a new job tax credit, providing a business and occupation tax credit to taxpayers that create new full time employment positions;

**WHEREAS**, questions have arisen regarding the operation of the tax credit for persons with wholly-owned subsidiaries or other common-ownership structures;

**WHEREAS**, the purpose of this ordinance is to add provisions to the EMC 3.24.015 to clarify how the tax credit operates in such situations;

**NOW, THEREFORE, THE CITY OF EVERETT DOES ORDAIN:**

**Section 1.** The following is added as EMC 3.24.105.C(11):

11. A person entitled to claim credit under this section may transfer the credit for use by another taxpayer, so long as either of the following conditions are satisfied: (i) either the person entitled to claim credit is wholly-owned by the taxpayer receiving the credit or (ii) the taxpayer receiving the credit is wholly-owned by the person entitled to claim the credit. For the purposes of determining eligibility for the credit and amount of the credit available for transfer under this subsection 11, the number of new full-time employment positions will be deemed to be the sum of (A) the number of new full-time employment positions created by the person entitled to claim the credit and (B) the number new full-time employment positions created by the taxpayer receiving the credit. The director may establish requirements for submittals from the taxpayer receiving the credit necessary to demonstrate whole ownership.

**Section 2.** The following is added as EMC 3.24.105.C(12):

12. If taxpayers within the city have common ownership, a new full time employment position is not created if the position is the result of transferring the position between the taxpayers unless there is a net increase in the total number of full time employment positions located within the city.

**Section 3.** The City Clerk and the codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers, and any references thereto.

**Section 4.** The City Council hereby declares that should any section, paragraph, sentence, clause or phrase of this ordinance be declared invalid for any reason, it is the intent of the City Council that it would have passed all portions of this ordinance independent of the elimination herefrom of any such portion as may be declared invalid.

\_\_\_\_\_  
Ray Stephanson, Mayor

ATTEST:

\_\_\_\_\_  
Sharon Fuller, City Clerk

PASSED: \_\_\_\_\_

VALID: \_\_\_\_\_

PUBLISHED: \_\_\_\_\_

EFFECTIVE DATE: \_\_\_\_\_